

AR43

# annual report

Dominion Tar & Chemical Company, Limited

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## Highlights

	1962	1961
Net Sales . . . . .	\$343,975,650	\$325,705,782
Total Assets per Balance Sheet . . . . .	\$376,410,757	\$359,421,610
Wages and Salaries . . . . .	\$ 86,250,122	\$ 83,027,713
Materials, Services, etc. . . . .	\$199,781,584	\$186,218,768
Net Earnings . . . . .	\$ 20,717,046	\$ 18,799,052
Earnings per Common Share . . . . .	\$ 1.40	\$ 1.29
Common Shares Outstanding . . . . .	14,562,200	14,322,200
Dividends per Preference Share-Annual Rate . . . . .	\$ 1.00	\$ 1.00
Dividends per Common Share-Annual Rate . . . . .	\$ .80	\$ .80
Dividends Paid . . . . .	\$ 11,805,760	\$ 11,491,446
Balance of Net Earnings retained in the Business . . . . .	\$ 8,200,089	\$ 6,857,606
Funded Debt Interest . . . . .	\$ 5,901,903	\$ 5,450,974
Earnings available for Funded Debt Interest . . . . .	\$ 59,751,243	\$ 58,251,519
Funded Debt Interest Coverage . . . . .	10.12	10.69
Outlays on Land and New Buildings, Plant and Machinery. . . . .	\$ 26,699,936	\$ 19,010,349
Book Value per Common Share . . . . .	\$ 13.26	\$ 12.77
Number of Preference Shareholders . . . . .	1,607	1,651
Number of Common Shareholders . . . . .	37,296	32,823
Number of Employees . . . . .	16,946	16,632



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## To all Shareholders and Employees

In this section of the Annual Report a year ago we examined the contribution to the company made by both shareholders and employees and also the rewards received by each of these groups. In that comparison we also set forth the very considerable amount paid to the governments in the form of taxes.

You may recall that we published the following table based on the total amounts paid out to these three groups:

Employees received as take-home pay . . . . .	.68%
Governments received as taxes . . . . .	.22%
Shareholders received as dividends . . . . .	.10%

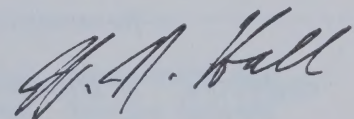
The publication of these figures last year evoked considerable interest and surprise and, I think, it can be agreed that the significance of this information should be of concern to us all. We are paying a high price for the services we receive from governments. We are all paying for these services — employees and shareholders.

This year, in a similar vein, I would like to review the rewards of our business from a different aspect, that is, relating them to invested capital instead of man-hours.

For each \$1,000 invested in the Company by shareholders:

Employees received as take-home pay in 1962 . . . . .	\$.391
Governments received as taxes . . . . .	\$.144
Shareholders received as dividends . . . . .	\$. 59
Total . . . . .	\$.594

This study is also interesting and I think the significant thing here is that it is important for us to realize that a \$1,000 investment gave \$594 to the economy of Canada in 1962 and will continue to do so *ad infinitum*, as long as this amount remains invested and the profit of the company remains the same. Thus it can be seen how vital a role the shareholder plays in our company and the importance of his contribution of capital to the generation of income for workers and for governments.



*Les actionnaires qui préféreraient recevoir leur rapport en français  
n'ont qu'à en aviser le Secrétaire de Dominion Tar & Chemical Company, Limited.*





**DOMTAR** *Pro*

*In The Picture Above*

ARBORITE counter and table tops in Sno White, Furniture Finish  
 ARBORITE cupboard doors in Walnut DC 30, Texture Finish  
 BONDED PINE shelves  
 KERMAGLAZE white flecked brick  
 FLEECY fabric softener  
 GAY detergent

GLIDE laundry starch  
 GYPROC wallboards  
 HINDE AND DAUCH shipping cases  
 HINDE AND DAUCH folding cartons  
 JAVEX bleach  
 SIFTO table salt





## ts In The Home

### Not Shown

DONNACONA decorative wallboards  
 DONNACONA KB sheathing and roof board  
 DONNACOSTI ceiling tiles  
 GYPROC lath and plaster  
 HOWARD SMITH stationery papers  
 McFadden pine and spruce lumber  
 MURRAY-BRANTFORD asphalt shingles and roofing

NO-CO-RODE sewer and drainage pipe  
 SIFTO salt for ice and snow removal  
 SIFTO salt for water softeners  
 TIGER brand disposal bags and wrapping paper  
 Building papers  
 Building insulations  
 Stucco and mortar mixes



## *Directors and Officers*

### **Directors**

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|--|---|
| <p>deGaspé Beaubien, C.B.E., <i>Montreal</i><br/>         George W. Bourke, <i>Montreal</i><br/>         Robert A. Bryce, <i>Toronto</i><br/>         *C. Gordon Cockshutt, <i>Brantford</i><br/>         Ralph W. Cooper, <i>Hamilton</i><br/>         *H. Roy Crabtree, <i>Montreal</i><br/>         Shirley G. Dixon, Q.C., <i>Montreal</i><br/>         George H. Dobbie, <i>Galt</i><br/>         Raymond Dupuis, Q.C., <i>Montreal</i><br/>         J. E. L. Duquet, Q.C., <i>Montreal</i><br/>         Hon. Geo. B. Foster, Q.C., <i>Montreal</i><br/>         *P. M. Fox, <i>Montreal</i><br/>         C. L. Gundy, <i>Toronto</i><br/>         Roger T. Hager, <i>Vancouver</i><br/>         *Members of the Executive Committee, E. P. Taylor, C.M.G., <i>Chairman</i></p> | <p>*W. N. Hall, <i>Montreal</i><br/>         R. D. Harkness, D.S.O., M.C., <i>Montreal</i><br/>         W. H. Howard, C.B.E., Q.C., <i>Montreal</i><br/>         J. G. Kirkpatrick, Q.C., <i>Montreal</i><br/>         H. R. MacMillan, C.B.E., D.Sc., LL.D.,<br/> <i>Vancouver</i><br/>         *John A. McDougald, <i>Toronto</i><br/>         *W. E. Phillips, C.B.E., D.S.O., M.C., LL.D.,<br/> <i>Toronto</i><br/>         Nathan Pitcairn, <i>Philadelphia, Pa.</i><br/>         *Arthur Ross, <i>New York</i><br/>         *J. N. Swinden, <i>Toronto</i><br/>         *E. P. Taylor, C.M.G., <i>Bahama Islands</i><br/>         N. A. Timmins, Jr., <i>Montreal</i><br/>         *Colin W. Webster, <i>Montreal</i></p> |
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### **Officers**

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| <p>E. P. Taylor, C.M.G., <i>Chairman of the Board</i><br/>         W. N. Hall, <i>President</i><br/>         W. E. Adkins, <i>Vice-President</i><br/>         R. M. Collins, <i>Vice-President</i><br/>         C. M. Fellows, <i>Vice-President</i><br/>         R. E. Kirbyson, <i>Vice-President</i><br/>         H. E. Mason, <i>Vice-President</i><br/>         W. H. Palm, <i>Vice-President</i><br/>         W. R. Spence, <i>Vice-President</i></p> | <p>D. S. Thomas, F.C.I.S., <i>Vice-President</i><br/>         E. A. Thompson, <i>Vice-President</i><br/>         J. G. Wyllie, C.A., <i>Vice-President—Finance</i><br/>         S. A. Kerr, C.A., F.C.I.S., <i>Secretary and Treasurer</i><br/>         W. J. Strain, <i>Comptroller</i><br/>         C. A. Brooke, A.C.I.S., <i>Assistant Secretary</i><br/>         E. G. Aust, C.A., <i>Assistant Treasurer</i></p> |
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### **Head Office**

Twenty-second floor, Sun Life Building, Montreal 2, Quebec

### **Transfer Agents**

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|---|---|
| <p><i>for preference and common shares:</i></p> <p><i>for common shares only:</i></p> | <p>Montreal Trust Company—Halifax, N.S.;<br/>         Saint John, N.B.; Montreal, Que.; Toronto,<br/>         Ont.; Winnipeg, Man.; Vancouver, B.C.</p> <p>Empire Trust Company, New York, N.Y.</p> |
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### **Registrars**

- |   |  |
|---|--|
| <p><i>for preference and common shares:</i></p> <p><i>for common shares only:</i></p> | <p>The Royal Trust Company—Halifax, N.S.;<br/>         Saint John, N.B.; Montreal, Que.; Toronto,<br/>         Ont.; Winnipeg, Man.; Vancouver, B.C.</p> <p>Empire Trust Company, New York, N.Y.</p> |
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## Report OF THE DIRECTORS TO THE SHAREHOLDERS

THE CONSOLIDATED FINANCIAL STATEMENTS of your Company and its subsidiaries for the year ended December 31, 1962 are submitted herewith together with the auditors' report thereon.

The year 1962 is the first complete year of operations since the reorganization of the Company in July, 1961. The essential form of the organization is still the same as described in last year's report with six major units each operating in a specific industrial field, i.e., Chemicals, Construction Materials, Consumer Products, Newsprint, Packaging and Pulp and Paper. These units were originally known as "groups" and inside each group were several companies with different names. To make the relationships clearer to the public, each of the groups has now been incorporated as a separate company with a "DOMTAR" name, i.e., DOMTAR Construction Materials Ltd., etc.

The accompanying financial statements show overall results of the combined efforts of the operating companies during the past year. The diversified nature of the Company's business limits the amount of detail which can be usefully supplied in this report but elsewhere in the Annual Report there is a review of the activities of each of the Domtar operating companies.

The consolidated sales for 1962 totalled \$343,975,650 and were 5.6% higher than in the previous year. The following table gives a brief analysis of the breakdown of sales in comparison with the previous year and shows the percentage increase in each major category:

	1962	1961	Increase over 1961
Pulp and Paper	63%	64%	4%
Chemicals	17%	16%	12%
Construction Materials	20%	20%	6%

The total improvement in sales was achieved under conditions which were not without difficulty in many of our markets and, in these circumstances, your Directors believe good progress has been shown.

At \$57,943,944 operating profits are \$1,484,643 higher than in the previous year but the overall margin of profit to sales at 16.8% compares with 17.3% in 1961 and 17.5% in 1960.

Income from investments, including dividends from holdings in other companies and interest earned on short term investments, was little changed in total. A minority interest in a South African paper company was sold this year realizing a non-taxable gain of \$311,800. Royalties on patents and processes developed from previous research effort amounted to \$290,000 in 1962.

### Sales

### Operating Profits

### Investment and Sundry Income



## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### Charges Against Income

Interest on funded debt increased by \$450,929 for the year. In April, \$20,000,000 of debentures were sold and this, while partly offset by sinking fund purchases and other debts maturing during the year, has resulted in the net increase in interest charges.

Depreciation and depletion totalling \$19,250,000 has been provided in the consolidated accounts. This is an increase of \$750,000 over the previous year.

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### Profit and Dividends

After providing \$12,039,000 for income taxes and deducting \$1,843,294 for the share of profits of subsidiary companies attributable to minority shareholders, the net profit for the year amounted to \$20,717,046. This represents earnings of \$1.40 per share on the 14,562,200 common shares outstanding at the year end. The earnings for 1961 were equivalent to \$1.29 per share on the 14,322,200 shares then outstanding.

Dividends of \$1.00 per share were paid on the cumulative redeemable preference shares and were maintained at 80c per share on the common stock. Total dividends payable amounted to \$11,805,760 for the year.

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### Balance Sheet

The attached consolidated balance sheet includes for the first time the assets and liabilities of The Hendon Paper Works Company Limited (which name has been changed to Howard Smith Hendon Limited), a company owning a fine paper mill in Sunderland, Co. Durham, England. In November, shareholders of this Company were offered six common shares of your Company in exchange for each £10 par value share of issued capital stock of Hendon and the purchase was successfully completed before the end of the year.

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### Working Capital

Net working capital at the end of the year amounted to \$96,464,545 and compares with \$89,245,677 at the end of 1961. (In the attached consolidated balance sheet in both years, the investment of \$12,450,000 in the common stock of Price Brothers Limited which is held by St. Lawrence Corporation Limited has been excluded from the current assets where it formerly appeared in the published accounts.) The increase in working capital is essentially due to the increase in the outstanding funded debt as a result of new financing.

Accounts receivable are almost \$8,000,000 higher this year due partly to increased sales and partly to heavier bulk shipments in recent months to export customers. Inventories of finished products, work in progress, raw materials and supplies were little changed in total from the previous year but it has been possible to effect a reduction of \$3,556,198 in the value of stocks of pulpwood and advances on woods operations. Studies are being made in an endeavour to reduce still further the total investment in pulpwood and at the same time help to reduce pulpwood costs.

The ratio of current assets to current liabilities was 3.7 to 1 this year as against 3.5 to 1 a year ago.



## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

During 1962, a total of \$26,699,936 was spent on additions to fixed assets. These expenditures were entirely covered by the year's provision for depreciation and the earnings retained in the business. The additions include the acquisition of the roofing plants of Sidney Roofing & Paper Company Limited at Burnaby, British Columbia, and Lloydminster, Alberta. Facilities for the manufacture of the "Arborite" brand of plastic laminates in the United Kingdom were purchased in March, 1962. Work on the new Central Research Laboratory at Senneville, Quebec, which was mentioned in last year's Annual Report, was held up for some months while necessary formalities were being completed with the Provincial and Municipal authorities but construction is now well under way. Expenditures this year have amounted to \$761,000 out of the estimated total cost of \$3,426,000. Information on other major expenditures for new plants and equipment is contained in the review of activities of the six operating companies.

At the end of the year, the unexpended balance of capital expenditures authorized by your Directors totalled \$17,909,000.

### Fixed Assets

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In April, \$4,500,000 of 5% Serial Debentures, Series "C", maturing April 1, 1964 to 1969 inclusive were sold at par and \$15,500,000 of 5½% Sinking Fund Debentures, Series "C", were sold at \$100.50.

In July, all the outstanding 3½% First Mortgage Bonds of Donnacona Paper Company Limited matured and were paid off. Normal sinking fund operations reduced the outstanding balances of other bonds and debentures of your Company and its subsidiaries. The net result of these various transactions was an increase of \$10,362,000 in the total debt outstanding at the year end. Total additional sinking fund requirements for 1963 amount to \$1,975,000 after deducting bonds and debentures already acquired.

### Funded Debt

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The greater part of the liability appearing on the consolidated balance sheet represents the par value of the outstanding preferred shares of Howard Smith Paper Mills, Limited and St. Lawrence Corporation Limited totalling \$21,296,600. During the year, additional common shares of St. Lawrence Corporation Limited were acquired from time to time on the open market and at December 31, 1962 your Company's holdings represented 94.7% of the outstanding common stock. St. Lawrence Corporation Limited also purchased additional shares of Hinde and Dauch Limited and at the year end held 76.8% of the total. The interest of minority common shareholders in these companies was accordingly reduced by a net amount of \$3,102,000 during the year.

### Minority Interests



## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

### Capital and Surplus

The issue of 240,000 common shares of your Company in exchange for all the shares of The Hendon Paper Works Company Limited increased the issued common stock of your Company to 14,562,200 shares. The acquisition of additional shares of St. Lawrence Corporation Limited was the major factor in reducing the surplus resulting from restatement of certain fixed assets as the excess cost of these shares over their net book value was applied against this surplus.

After deducting the dividends payable for the year, the expenses of the new debenture issue and the premium on the redemption of bonds payable in U.S. funds, the earned surplus increased by \$8,200,089.

### Pension Plan

In October, 1962 your Directors authorized the establishment of two new Pension Plans to be made available to all regular employees of the Company and its subsidiaries in Canada to replace the ten different plans previously in effect in various parts of the organization. The new plans, which became effective on January 1, 1963, are trustee, are modern in design and will undoubtedly provide more adequate pensions in the future for employees with long and faithful service to the Company. The plans have been well received by employees generally and, being beneficial to employees, should help to maintain the esprit de corps and morale so essential to the development of an efficient organization.

### Officers and Directors

It was with regret that your Directors accepted the resignation in August, 1962 of Senator Wallace McCutcheon, C.B.E., Q.C., as a Director, as Vice-Chairman of the Board and as Chairman of the Executive Committee upon his appointment as a Cabinet Minister in the Government of Canada. Mr. James N. Swinden has been appointed to fill the vacancy on the Executive Committee.

Early in January, 1963 the death occurred of Mr. Donald S. Abbott, former President of Howard Smith Paper Mills, Limited, who resigned that office in August, 1960 for reasons of health. All who were associated with him in the original development of The Arborite Company Limited in 1947 and during his later years as President of Howard Smith Paper Mills, Limited extend their deepest sympathy to his bereaved widow and family.

Your Directors again record their sincere appreciation to Officers and Employees throughout the organization for their efforts during the past year. The results obtained from these efforts in 1962 give the Board reason to believe that the Company can face the future with confidence in its ability to grow and prosper.

ON BEHALF OF THE BOARD

E. P. TAYLOR  
Chairman

W. N. HALL  
President

Montreal, Canada  
January 31, 1963



# The DOMTAR Companies - 1962

## *Domtar Chemicals Limited*

*1155 Dorchester Blvd. West, Montreal 2 P.Q.*

Total company sales were considerably higher in 1962. The sales of the Creosoting and Lime divisions both recovered from the low levels of 1961. Chemical Developments of Canada Limited sales were up and benefited from uninterrupted operation of the Longford, Ont., plant in 1962. Salt

sales, including significant export shipments, increased. Tar and Chemical Division sales were maintained at about the same level as in the previous year although production of phthalic anhydride was much greater.

## **DOMTAR**

**Construction Materials Ltd.**

1 PLACE VILLE MARIE, SUITE 2210, MONTREAL 2, QUEBEC

Net sales of DOMTAR Construction Materials Ltd. for 1962 were up appreciably from 1961 as a result of increased sales in The Arborite Company, the Siporex Company and the McFadden Lumber Company divisions. Sales of roofing and associated products in Western Canada increased in the final quarter as a result of the purchase of the Western roofing

manufacturing facilities of Sidney Roofing & Paper Company Limited. Sales of Clay and Gypsum products were comparable to 1961. The market for all construction materials remained highly competitive and this was reflected in generally depressed price levels.

## **DOMTAR CONSUMER PRODUCTS LTD.**

99 VANDERHOOF AVE. • TORONTO 17 ONTARIO • PHONE 421-6000

Net sales of this company's products of bleaches, detergents, starches and fabric softeners and other household products showed an increase during 1962. This improvement was due to the marketing of several items in new white plastic containers. The development and improvement of new and

existing products and packaging is an important part of a continuing sales program. Late in the year, the company purchased the retail trade business of S. F. Lawrason & Company Limited of London, Ont., producers of a variety of household cleaning products.

## **DOMTAR NEWSPRINT LIMITED**

840 SUN LIFE BUILDING • MONTREAL 2 • TEL: 874-5400

Newsprint tonnage shipped in 1962 was almost exactly the same as in the previous year. Printing strikes in New York City and Cleveland reduced shipments during the last few weeks of the year. Otherwise there would have been a gain

in total shipments. More favorable exchange rates, however, increased revenue substantially. Containerboard sales, which are largely domestic, were strong.

## **DOMTAR PACKAGING LIMITED**

43 HANNA AVENUE • TORONTO 3 • TELEPHONE 532-3341

Total sales of DOMTAR Packaging Limited were considerably higher in 1962. The Hinde and Dauch Division of this company achieved new record levels of sales for shipping containers and related products in 1962. Sales of the Carton Specialties Division, including the rapidly developing fibre

can lines, were substantially increased. The Bell-Kilgour Division, which sells a wide variety of kraft and other types of paper bags, and an assortment of other converted items from kraft paper and wrapping papers, showed little change in sales.

## **DOMTAR PULP & PAPER LIMITED**

*2300 Sun Life Building*

MONTREAL 2, QUE. CANADA

Fine paper sales were at a high level throughout much of the year and, despite a sharp fall-off in the final two months, showed a gain for the full year. Kraft paper sales and box-board sales also increased. Pulp sales held at 1961 levels in

Canada and the United States but, as a result of a decrease in overseas sales and a reduction in pulp prices, total sales were down slightly.



# Consolidated Balance Sheet

## Assets

	1962	1961
<b>CURRENT:</b>		
Cash and short term investments . . . . .	\$ 6,443,895	\$ 5,443,353
Accounts receivable . . . . .	51,938,453	43,940,521
Inventories of finished products, work in process, raw materials and supplies at lower of cost or market . . . . .	45,166,204	44,374,318
Pulpwood and advances on woods operations . . . . .	25,876,400	29,432,598
Prepaid expenses . . . . .	2,991,835	2,416,375
	<u>\$132,416,787</u>	<u>\$125,607,165</u>
 <b>INVESTMENTS AND ADVANCES, at cost</b>		
Listed securities (quoted value — \$8,719,000) . . . . .	\$ 13,349,441	\$ 12,482,441
Other investments and advances. . . . .	4,081,713	4,863,369
	<u>\$ 17,431,154</u>	<u>\$ 17,345,810</u>
 <b>FIXED ASSETS:</b>		
Land and water power rights, at cost. . . . .	\$ 7,189,627	\$ 6,815,796
Buildings, plant, machinery, equipment and timber limits — Note 2.	414,216,703	385,556,745
	<u>\$421,406,330</u>	<u>\$392,372,541</u>
Less: Accumulated depreciation and depletion . . . . .	194,843,514	175,903,906
	<u>\$226,562,816</u>	<u>\$216,468,635</u>
 <b>SIGNED ON BEHALF OF THE BOARD:</b> W. N. HALL, Director COLIN W. WEBSTER, Director		
	<u>\$376,410,757</u>	<u>\$359,421,610</u>



S AT DECEMBER 31 1962

		Liabilities	
		1962	1961
<b>CURRENT:</b>			
Accounts payable and accrued liabilities . . . . .		\$ 25,357,258	\$ 22,889,053
Income and other taxes — Note 3 . . . . .		7,302,359	10,208,463
Dividends payable . . . . .		3,292,625	3,263,972
		<u>\$ 35,952,242</u>	<u>\$ 36,361,488</u>
<b>FUNDED DEBT — Note 4 . . . . .</b>		<u>\$111,100,000</u>	<u>\$100,738,000</u>
<b>PREFERRED SHARES OF SUBSIDIARY COMPANIES AND OTHER MINORITY INTERESTS — Note 5 . . . . .</b>		<u>\$ 29,179,874</u>	<u>\$ 32,348,852</u>
<b>CAPITAL:</b>			
Capital stock —			
Cumulative redeemable preference shares, each of a par value of \$23.50 with annual dividend of \$1.00 —			
Authorized and issued — 300,000 shares . . . . .		\$ 7,050,000	\$ 7,050,000
Common shares without nominal or par value —			
Outstanding — 14,562,200 shares, after issue, in 1962, of 240,000 shares valued by the directors at \$3,184,800 . . . .		128,533,922	125,349,122
Surplus resulting from restatement of certain fixed assets — Note 6.		12,658,931	13,838,449
Earned surplus, per statement attached. . . . .		51,935,788	43,735,699
		<u>\$200,178,641</u>	<u>\$189,973,270</u>
		<u>\$376,410,757</u>	<u>\$359,421,610</u>



## *Consolidated Statement of Profit and Loss and Earned Surplus*

FOR THE YEAR ENDED DECEMBER 31 1962

	1962	1961
Sales . . . . .	\$343,975,650	\$325,705,782
Cost of sales including selling, general and administrative expenses . .	286,031,706	269,246,481
	<u>\$ 57,943,944</u>	<u>\$ 56,459,301</u>
Investment and sundry income . . . . .	1,807,299	1,792,218
	<u>\$ 59,751,243</u>	<u>\$ 58,251,519</u>
Interest on funded debt. . . . .	\$ 5,901,903	\$ 5,450,974
Depreciation and depletion . . . . .	19,250,000	18,500,000
Income taxes — Note 3. . . . .	12,039,000	13,404,000
Provision for minority interests . . . . .	1,843,294	2,097,493
	<u>\$ 39,034,197</u>	<u>\$ 39,452,467</u>
Profit for the year — Note 3 . . . . .	\$ 20,717,046	\$ 18,799,052
Earned surplus — balance at beginning of year . . . . .	43,735,699	36,878,093
	<u>\$ 64,452,745</u>	<u>\$ 55,677,145</u>
Financing expenses. . . . .	\$ 711,197	\$ 450,000
Dividends on preference shares . . . . .	300,000	300,000
Dividends on common shares . . . . .	11,505,760	11,191,446
	<u>\$ 12,516,957</u>	<u>\$ 11,941,446</u>
Earned surplus — balance at end of year . . . . .	<u>\$ 51,935,788</u>	<u>\$ 43,735,699</u>

Amounts paid by the Company during 1962 in respect of remuneration of executive officers, directors' fees and legal fees aggregated \$972,385.



## Notes to Financial Statements

### NOTE 1 — PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements comprise the accounts of all subsidiary companies, including those of St. Lawrence Corporation Limited and its subsidiary companies, in which company Dominion Tar & Chemical Company, Limited has an equity of 94.7% of the outstanding common shares.

During 1962 all the outstanding common shares of The Hendon Paper Works Company Limited were acquired in exchange for 240,000 shares of Dominion Tar & Chemical Company, Limited valued by the directors at \$3,184,800. The inclusion of the accounts of this company in the attached financial statements for the first time had no significant effect on the consolidated earnings.

### NOTE 2 — BUILDINGS, PLANT, MACHINERY, EQUIPMENT AND TIMBER LIMITS — BASIS OF VALUATION:

Dominion Tar & Chemical Company, Limited and subsidiary companies (excluding the undernoted subsidiary companies) at cost except for certain properties carried at depreciated replacement values as determined by the Canadian Appraisal Company Limited in 1950 and 1952. . . . . \$293,487,409

St. Lawrence Corporation Limited and subsidiary companies — real estate, buildings, machinery, equipment, freehold and leasehold timber limits and woodlands improvements and equipment at cost less write-offs (including in such cost the excess cost of shares of a partly owned subsidiary company consolidated herein over book value) . . . . 120,729,294  
\$414,216,703

### NOTE 3 — INCOME TAXES:

Income taxes have been calculated on the basis of the intention to claim capital cost allowances which exceed depreciation provided in the accounts. As a result the total taxes otherwise payable for the year have been reduced by approximately \$3,320,000 (\$2,900,000 in 1961). The cumulative amount by which taxes otherwise payable have been reduced is approximately \$11,390,000.

In 1961 the Company received federal income tax assessments in respect of the years 1959 and 1960. The principal item in dispute in the assessments (approximately \$4,225,000 plus interest) arises out of the reallocation by the tax authorities of the purchase considerations for the depreciable assets acquired from Gypsum, Lime and Alabastine, Canada, Limited, which reallocation disregards the terms of the contract dated January 21 1959. It is the opinion of the Board of Directors, based upon their knowledge of the facts and opinion of Tax Counsel, that the Company's Notices of Objections which have since been filed should be sustained. In the circumstances, no special provision has been made in the attached accounts for any liability arising from these assessments.

### NOTE 4 — FUNDED DEBT:

Dominion Tar & Chemical Company, Limited—  
 3½% First Mortgage sinking fund bonds, Series "B", maturing August 1 1970 . . . \$ 2,400,000  
 5% Sinking fund debentures, Series "A", due June 1 1965 . . . . . 3,000,000  
 5¼% Sinking fund debentures, Series "A", due June 1 1978 . . . . . 22,000,000  
 6¼% Sinking fund debentures, Series "B", due May 1 1980 . . . . . 14,325,000  
 5% Serial debentures, Series "C", due 1964-1969 . . . . . 4,500,000  
 5½% Sinking fund debentures, Series "C", due April 1 1982. . . . . 15,500,000  
\$ 61,725,000  
 Less: Held for sinking fund . . . . . 1,250,000  
\$ 60,475,000

Howard Smith Paper Mills, Limited —  
 3% First mortgage bonds, 1950 Series, due December 1 1963-1970 . . . . . \$ 4,800,000

St. Lawrence Corporation Limited —  
 First mortgage sinking fund bonds —  
 5% Series "A", due April 15 1972 . . . . \$ 14,168,000  
 4¾% Series "B", due April 15 1972 (payable in U.S. funds). . . . . 5,152,000  
 5% Series "C", due May 1 1978. . . . . 11,396,000  
 Sinking fund debentures (secured) —  
 6¾% Series "A", due June 15 1980 . . . 15,000,000

Hinde and Dauch Limited —  
 3½% Serial debentures (secured), due 1963-1965 . . . . . 2,000,000  
\$ 47,716,000  
 Less: Held for sinking fund . . . . . 1,891,000  
\$ 45,825,000  
\$111,100,000

An amount of \$1,975,000 is required for retirement of funded debt in 1963 (after deducting bonds and debentures held for sinking fund).



## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 — PREFERRED SHARES OF SUBSIDIARY COMPANIES AND OTHER MINORITY INTERESTS:

Howard Smith Paper Mills, Limited — 160,000 \$2 preferred shares of \$50 each . . .	\$ 8,000,000
St. Lawrence Corporation Limited — 132,966 5% preferred shares of \$100 each . . .	13,296,600
Interest of minority holders of common shares in subsidiary companies. . . . .	7,883,274
	<u>\$ 29,179,874</u>

### NOTE 6 — SURPLUS RESULTING FROM RESTATEMENT OF CERTAIN FIXED ASSETS:

Excess of restated depreciated value over depreciated book value of certain fixed assets (unchanged during year) . . . . .	\$ 15,141,969
Net excess (after net increase of \$1,179,518 during 1962) of consideration for acquisition of shares of subsidiaries over book value of net assets. . . . .	2,483,038
	<u>\$ 12,658,931</u>

## *Auditors' Report* TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Dominion Tar & Chemical Company, Limited and subsidiary companies as at December 31 1962 and the consolidated statement of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances, except for St. Lawrence Corporation Limited and certain of its subsidiary companies whose accounts have been examined and reported on by other chartered accountants.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies examined by us and by the audited statements of St. Lawrence Corporation Limited and its subsidiary companies, the accompanying consolidated balance sheet and the related consolidated statement of profit and loss and earned surplus, with the notes thereto, are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of Dominion Tar & Chemical Company, Limited and subsidiary companies as at December 31 1962 and the results of their combined operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, January 31 1963

PRICE WATERHOUSE & Co.

*Chartered Accountants*





*Lime Plant at Tacoma, Washington, U.S.A.*

## MODERNIZATION AND EXPANSION

EXISTING PRODUCTION FACILITIES were modernized and expanded in many segments of the company during 1962 and in several cases additional manufacturing capacity was acquired or installed. These investments are mainly designed to provide increased production or improved efficiency but in some instances they involve the manufacture of new products. The following are some of the major projects completed, continued or initiated during the year.

### *Lime*

CONSTRUCTION of a new lime plant at Tacoma, State of Washington, was virtually complete at the end of 1962 and trial runs were scheduled for early in the new year. This project includes a docking area, kiln, lime storage and a hydrate plant. Crushed limestone will be supplied to the plant from the company's quarries at Blubber Bay, B.C.

### *Creosoting*

FINAL DISMANTLING of the North Vancouver wood treating plant was well advanced at the end of the year with consolidation of these facilities with the New Westminster, B.C. plant essentially

*New rotary grate kiln being installed at the Joliette, Que., Lime Plant.*





complete. The Sudbury, Ont. plant was closed during the year and a consolidation of the two Calgary, Alta., plants is in the design stage.

### *Phthalic Anhydride*

EXPANDED PRODUCTION facilities in Toronto for the supply of phthalic anhydride were completed during the year and the new fluid-bed process is in operation at rated capacity.

### *Sand-Lime Brick*

IMPROVEMENTS to the Montreal sand-lime brick plant are in progress. These include new presses and an additional autoclave.

### *Gypsum Wallboard*

FINAL STAGES of a project which included the installation of a second wallboard machine and general plant rehabilitation were completed at Caledonia, Ont., early in the year. A plant rehabilitation project which involved the replacement of part of the wallboard building was carried out at the Montreal plant.

### *Lumber*

OPERATIONS at the Blind River, Ont. sawmill of McFadden Lumber Company Division are being changed from a seasonal to year-round basis. This project, 80 per cent completed at year end, involves an additional lumber kiln and covered yard storage as well as a dry sorting building for final grading and end stamping. The improvements were made with a view to improving operating efficiency and customer service.



*Interior view of new final sorting and end marking centre at McFadden Lumber mill, Blind River, Ont.*



## *Salt*

AT THE Goderich, Ont. mine, the second shaft reached a depth of 1,400 feet by the end of the year and is nearing the operating level of about 1,800 feet. Additional surface facilities have been added to meet increased production. Extensive modernization work is being carried out at the Goderich evaporating plant where foundations for the main buildings have been poured.

## *Roofing Materials*

IN THE THIRD QUARTER the company purchased the assets of the building and roofing materials division in Western Canada of Sidney Roofing & Paper Company Limited, a subsidiary of MacMillan, Bloedel and Powell River Limited. The purchase included manufacturing facilities at Burnaby, B.C., and Lloydminster, Alta., as well as leased warehouse facilities in Winnipeg, Man., and Edmonton, Alta. The asphalt roofing and building materials manufactured are complementary to other lines produced and marketed by DOMTAR Construction Materials Ltd.

## *Plastic Laminate*

FACILITIES for the manufacture of "ARBORITE" plastic laminates in the United Kingdom were acquired early in 1962 at North Shields, a suburb of Newcastle-upon-Tyne. A number of improvements have since been made at the plant with a view to improving efficiency. The first sheet of U.K. produced "ARBORITE" laminate was removed from the press on April 5.

## *Newsprint*

AT THE Three Rivers, Que., newsprint mill, a pressure headbox was installed on No. 2 Paper Machine and Centri-cleaners were installed on No. 5 and No. 6 Paper Machines to improve the quality of the product. The out-of-date pyrite burning system was converted to sulphur, effectively reducing operating costs. Facilities



*Sifto Salt Division mine at Goderich, Ont., where a second shaft is being sunk.*

15

*Plant at North Shields, England, where the manufacture of "ARBORITE" Plastic Laminates started in 1962.*





are being installed to make "MAGNEFITE" pulp by a patented process developed by the company's Research Department. Improvements to and replacements of equipment were also made at the Donnacona, Que. newsprint mill where the No. 2 Paper Machine is now in successful operation following a major re-build.

### *Packaging*

IN LATE SUMMER, a corrugated shipping container plant was established at Saskatoon, Sask., to serve the expanding Western market. This plant, thirteenth of its type in Canada operated by DOMTAR Packaging Limited, will greatly strengthen the company's marketing position in corrugated cartons in Western Canada. A new two-color printer-slotter which will print and form corrugated containers in a single operation was installed at the St. Marys, Ont., shipping container plant.

### *Fine Paper*

LATE IN THE YEAR, the Company acquired through a share exchange the two-machine mill of The Hendon Paper Works Company, Limited at Sunderland, County Durham, England. Products of this company, now renamed Howard Smith Hendon Limited, are well established and production facilities can be readily expanded. Another advantage which is expected to come from this acquisition is the provision of a market for pulp produced in the company's Canadian mills.

AT THE Cornwall, Ont., fine paper mill, facilities for the clay coating of paperboards, widely used in retail product packaging, were completed and a modern high speed re-winder was installed.

*Two-machine mill of Howard Smith Hendon Limited at Sunderland, England, acquired at the end of 1962.*





## *Publication Grade Coated Paper*

AT MID-YEAR, work started at Three Rivers, Que., on a major project which will result in the start-up of off-machine trailing blade coating equipment early in 1963. Paper from this type of coater is used for consumer and business magazines, catalogues and other printed material. The project consists of the following: a bleach plant; the rebuilding of an existing paper machine and stock preparation system for production of the coating base stock; and the actual coating and supercalendering equipment. The paper machine and stock preparation system were in operation by the end of the year and the bleachery was completed in January. Equipment installation is well advanced and is expected to be completed by the end of March. "SIPOREX" cellular concrete was utilized for the exterior walls and roof deck of the new coater building.

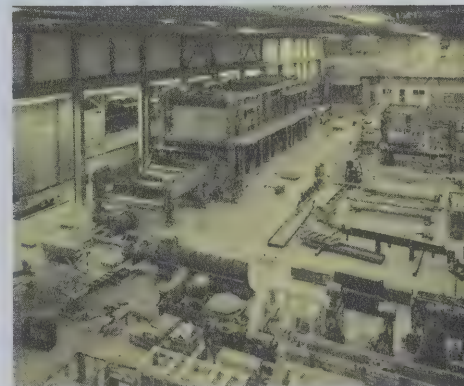
## *Containerboard*

MAJOR ADDITIONS to improve quality, reduce operating costs and increase pulp yield and production capacity were made at the Trenton, Ont. containerboard mill. These additions included conversion to molten sulphur and soda ash systems for the manufacture of neutral sulphite cooking liquor, chip screening equipment, a screw feeder on the continuous digester, a pump-thru refiner and a pressure screen for the paper machine.

## *Research*

EXCELLENT PROGRESS was made on the first stage of the construction of the new Central Research Laboratories at Senneville, just west of Montreal. The first stage of construction at the 100-acre site involves the erection of a laboratory and a pilot plant. Site development, including roads and services, is largely complete and construction of buildings is progressing.

RESEARCH WORK at the centre is planned to lead directly to the development of profitable new products and also to the improvement of existing products and manufacturing processes. Use of these new research facilities is scheduled for early Fall of 1963.



*Off-machine coater for publication grade coated papers under construction at the Three Rivers, Que. mill.*

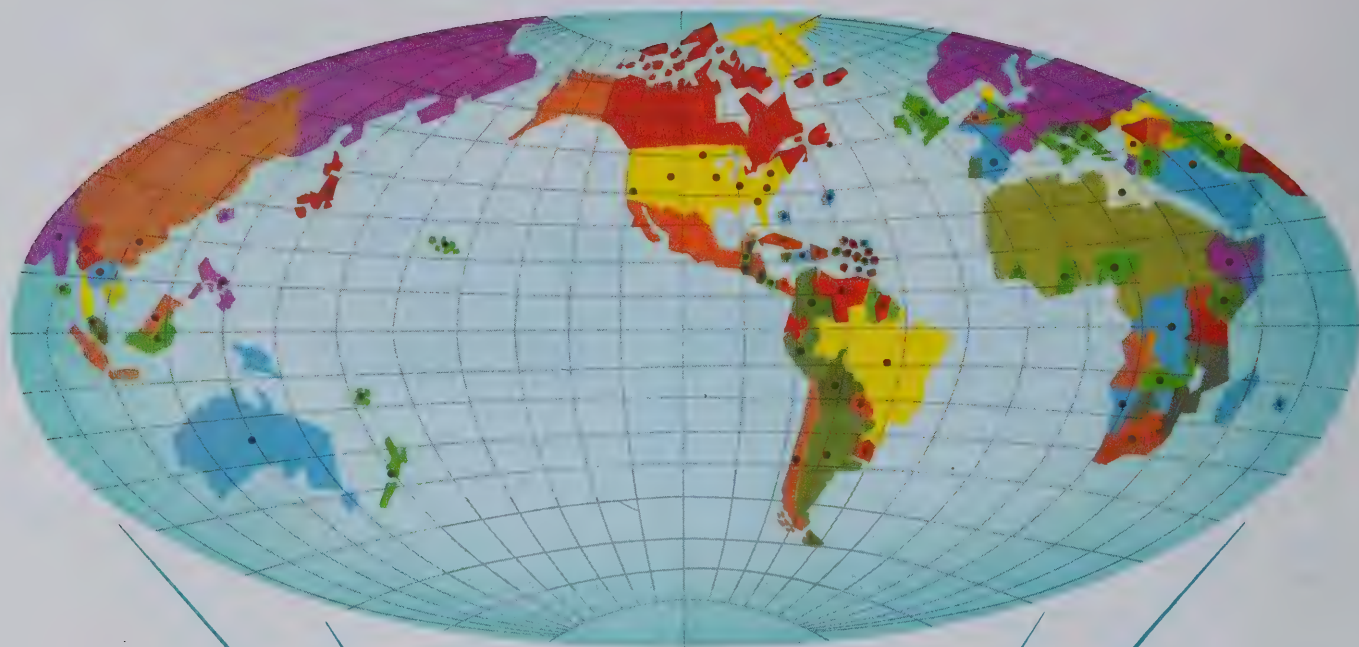


*New board coating installation completed in 1962 at Cornwall, Ont.*

*Modern research laboratories under construction at Senneville, Que.*







**DOMTAR** *Products are Distributed Globally*

**THE CARIBBEAN**

Antigua  
Bahamas  
Barbados  
Dominica  
Dominican Republic  
Grenada  
Haiti  
Jamaica  
Netherlands Antilles  
Puerto Rico  
St. Kitts  
St. Lucia  
St. Vincent  
Trinidad  
Virgin Islands

**SOUTH AMERICA**

Argentina  
Bolivia  
Brazil  
British Guiana  
Chile

Colombia  
Ecuador  
Paraguay  
Peru  
Surinam  
Uruguay  
Venezuela

**CENTRAL AMERICA**

British Honduras  
Costa Rica  
Guatemala  
Mexico  
Nicaragua  
Panama  
Rep. of El Salvador

**MIDDLE EAST**

Hashemite Kingdom  
of Jordan  
Iran  
Israel  
Kuwait  
Lebanon

**AFRICA**

Congo  
Egypt  
Fed. of Rhodesia &  
Nyasaland  
Ghana  
Kenya  
Nigeria  
Rep. of South Africa  
Sierra Leone  
South West Africa

**FAR EAST**

Afghanistan  
Burma  
British North Borneo  
Ceylon  
Fed. of Malaya  
Formosa  
Hong Kong  
India  
Pakistan  
Philippines

Sarawak  
Singapore  
Thailand

**AUSTRALASIA**

Australia  
Fiji Islands  
New Zealand

**SUNDRY**

Bermuda  
Iceland  
Mauritius  
St. Pierre and  
Miquelon  
United States

**EUROPE**

England  
Germany  
Greece  
Italy  
Spain



*Model of new central research laboratories with current construction shown in blue. Entire project expected to be completed within 10 years.*

## *The Export Markets*

ONE OF THE most encouraging features of the Canadian trade picture in recent years has been the increasing range of exports. Although Canada is predominantly an exporter of mineral, forest, food and other primary products, increased effort has resulted in higher exports of secondary manufactured goods.

Canada's opportunity lies in exporting manufactured goods based on her natural resources. It is in this light that your company views its role in the economy. In addition to continued development of the domestic market, it is actively seeking export trade outlets. This will benefit the economy and your company. Foreign exchange will be generated, increased sales volume will reduce costs of production and the profit position of the company will be improved. Diversified export sales will also provide a hedge against cyclical fluctuations in any market area.

## *Newsprint, Pulp and Containerboard*

NEWSPRINT and Containerboard are produced by DOMTAR Newsprint Limited while DOMTAR Pulp & Paper Limited is responsible for sales of its market pulp.

The chief markets for both newsprint and pulp are in the U.S.A. Although in general the pattern follows the north-south flow, increasing quantities are being shipped westward towards the Mississippi Valley. Thus our newsprint now reaches a good proportion of the eastern and central states with occasional shipments to the south and southwest. Pulp shipments on the other hand are limited somewhat by transportation costs to the northern United States.

Our largest overseas market for newsprint is the United Kingdom. In addition a dozen countries of Central and South America are presently importing our newsprint and shipments via the Panama Canal go to the Philippines and as far away as Australia and New Zealand. Overseas pulp customers are located in Argentina, Belgium, the Philippines, the United Kingdom, Venezuela and Italy.

Containerboard sales are mainly domestic but substantial quantities are sold in the U.K.

## *Fine Papers*

FINE PAPERS are produced and marketed by The Howard Smith Division of DOMTAR Pulp & Paper Limited. For many years the Howard Smith organization has sold its products on the world markets through an active export department. In fact, our fine papers are shipped to some 45 countries. We have indeed proven that Canadian product quality and marketing skills make it possible to compete successfully against the rest of the world in many different areas.







*"SIPOREX" cellular concrete roof decking on St. Edmund's Church, Beaconsfield, Que.*



*Part of the annual pulpwood harvest.*



*"ARBORITE" plastic laminate dealer in Malaya.*

## *"Arborite" Plastic Laminates*

IN ITS FIRST 18 years of operation, "Arborite" has gained world-wide acceptance. Today, it can be found in six of the Central American countries, seven of the South American countries, eight African countries, seven countries in the Far East, five in the Middle East, fourteen of the Caribbean islands, plus Australia, the Fiji Islands, Iceland and Bermuda. The list continues to expand.

## *Lumber*

THE McFadden Lumber Company Division of DOMTAR Construction Materials Ltd. produces white and red pine lumber in its large saw mill at Blind River, Ont. These products are exported to the U.S.A., the United Kingdom and the West Indies.

## *Foreign Plants*

FOLLOWING successful marketing of products in certain foreign areas the long term interests of the company can sometimes be better served by acquiring manufacturing facilities overseas. This is particularly true of merchandise for which prompt customer service is required. Thus it was when "Arborite" proved highly acceptable in the U.K. and an expanding market was developing that your company acquired manufacturing facilities at North Shields, in the north of England. Here, the basic decorative laminates will be made and at the same time the Canadian plant will continue to supply some of the more specialized designs and qualities.

Trade patterns in Europe are undergoing radical changes, the consequences of which are most difficult to foresee. To increase the market in the U.K. for our fine papers, which market had been carefully developed over many years, the company acquired The Hendon Paper Works Company, Limited of Sunderland, Durham. This mill can produce Howard Smith grades of paper from pulp produced in our own Canadian mills, and at the same time our technicians can assist Hendon to expand its established grades of fine papers which are well received in Great Britain.

Other foreign located plants include the new lime plant of DOMTAR Chemicals Limited, rapidly nearing completion at Tacoma, Washington. Its location is central to a large market for lime. The limestone for its production will come from the company's Blubber Bay, B.C. quarries. The "Javex" bleach plant of DOMTAR Consumer Products Ltd., located in Jamaica, is serving the West Indian market.

The foregoing has covered the major items of your company's exports. There are many others of as yet minor importance, but which show promise. For instance, metal powders primarily sold in the U.S. have been shipped to Australia and several other countries have indicated interest. "Donnacona" board is finding a market in the United States and certain other products have also been sold overseas. Studies are constantly underway to develop our export sales still further to the end that we can better utilize our natural resources. Truly, the company is becoming global in its interests and in its outlook.

# *Companies . . .* PRODUCTS AND LOCATIONS

## DOMTAR CHEMICALS LIMITED

### CANADA CREOSOTING DIVISION

#### **Products**

Pressure Treated Wood Products  
Fire Retardant Treated Wood Products

#### **Plants**

Truro, N.S.  
Newcastle, N.B.  
Delson, Que.  
Trenton, Ont.  
Transcona, Man.  
Prince Albert, Sask.  
Edmonton and Calgary, Alta.  
New Westminster and Prince George,  
B.C.

### GYPSUM LIME DIVISION

#### **Products**

Limestone  
Lime Hydrate  
Quicklime  
Sand  
Crushed and Pulverized Stone

#### **Plants**

Joliette, Que.  
Beachville and Hespeler, Ont.  
Blubber Bay and Granville Island, B.C.  
Tacoma, Wash., U.S.A.

### METAL POWDERS DIVISION

#### **Products**

Iron and Iron Alloy Powders

#### **Plants**

Iberville and Lachine, Que.

### SIFTO SALT DIVISION

#### **Products**

All Salt Products for Home, Farm, and  
Industry

#### **Plants**

Amherst, N.S.  
Montreal, Que.  
Goderich and Sarnia, Ont.  
Unity, Sask.



*Modern mechanical equipment working underground at Goderich, Ont. salt mine.*

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*New Montreal East storage building for "SIFTO" coarse salt.*





## *Companies...* PRODUCTS AND LOCATIONS

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### TAR & CHEMICAL DIVISION

#### **Products**

Coal Tar Pitches  
Pitch Emulsions  
Creosote  
Tar Acids  
Phthalic Anhydride  
Naphthalene

#### **Plants**

LaSalle, Que.  
Toronto, Hamilton and Sault Ste.  
Marie, Ont.

### CHEMICAL DEVELOPMENTS OF CANADA LIMITED

#### **Products**

Synthetic Detergents  
Detergent Additives  
Wetting Agents  
Dyestuffs and Pigments  
CARBOXEL Cellulose Gum  
(carboxymethylcellulose)

#### **Plant**

Longford Mills, Ont.

### DOMTAR CONSTRUCTION MATERIALS LTD.

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#### **Products**

COOKSVILLE-LAPRAIRIE Brick  
and Tile  
CORNWALL Fibre Conduit  
DONNACONA Decorative Wallboards  
DONNACONA KB Sheathing and  
Roof Board  
DONNACOSTI Ceiling Tiles  
GYPROC Wallboards, Lath, Plasters  
GYPROC Moveable and Stud Partition  
Systems  
HAYDITE Lightweight Aggregate  
KERMAGLAZE Brick  
MURRAY-BRANTFORD Asphalt  
Shingles, Built-up Roofing, Building  
Papers, Roll Roofing and Siding  
NO-CO-RODE Sewer and Drainage  
Pipe  
SEALBOND Plasticizer  
Building Papers and Vapour Barriers  
Home Building Insulation

#### **Plants**

Nappan and Windsor, N.S.  
Saint John, N.B.  
Montreal, Delson, Laprairie, Montreal  
East, Lachine and Donnacona, Que.  
Cheltenham, Cooksville, Ottawa,  
Toronto, Caledonia, Paris,  
Brantford and Cornwall, Ont.  
Gypsumville and Winnipeg, Man.  
Saskatoon, Sask.  
Calgary and Lloydminster, Alta.  
New Westminster and Burnaby, B.C.

### THE ARBORITE COMPANY

#### **Products**

ARBORITE Adhesives  
ARBORITE Decorative Plastic  
Laminates  
Industrial Paper and Cloth Base La-  
minates, including Tubes and Rods  
TWIN TRIM Mouldings

#### **Plants**

LaSalle, Que.  
Toronto, Ont.  
North Shields, England

### McFADDEN LUMBER COMPANY

#### **Products**

BONDED PINE Products  
McFadden Air and Kiln Dried  
White and Red Pine and Spruce  
Pulpwood Chips  
Wholesale and Specialized Industrial  
Lumber Products

#### **Plant**

Blind River, Ont.

## *Companies...* PRODUCTS AND LOCATIONS

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### **SIPOREX COMPANY**

#### **Products**

SIPOREX Lightweight Cellular Concrete Products  
Precast Concrete Products

#### **Plants**

Delson, Que.  
Scarborough, Ont.

### **DOMTAR CONSUMER PRODUCTS LTD.**

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#### **Products**

JAVEX Liquid and Dry Bleach  
GLIDE Liquid Laundry Starch  
GLIDE Spray Starch  
GAY Liquid Detergent  
FLEECY Fabric Softener  
AMEX Liquid Ammonia  
ATLAS Sudsy Ammonia  
SINKO Drain Cleaner  
FLUSHO Toilet Bowl Cleaner  
SNOWFLAKE Ammonia Powder  
HANDY Ammonia Powder  
HOUSEHOLD Washing Soda  
LAWRASONS Borax  
LAWRASONS Lye

#### **Plants**

Montreal, Que.  
Toronto, Ont.  
Winnipeg, Man.  
Edmonton, Alta.  
Vancouver, B.C.  
Kingston, Jamaica, W.I.

### **DOMTAR NEWSPRINT LIMITED**

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#### **CONTAINERBOARD DIVISION**

##### **Products**

Kraft Linerboard  
Semi-Chemical Corrugating Medium

##### **Mills**

Trenton and Red Rock, Ont.

#### **NEWSPRINT DIVISION**

##### **Products**

Standard Newsprint  
Offset Newsprint  
Roto Newsprint  
Colored Newsprint  
Groundwood Specialty Printing Paper  
Publication Grade Coated Paper  
Pulps

##### **Mills**

Dolbeau, Donnacona and Three Rivers, Que.  
Red Rock, Ont.

#### **WOODLANDS DIVISION**

Produces and Purchases Pulpwood for Pulp and Paper Operations, and Sawlogs for Lumber

##### **Operations**

Bell River, Bersimis, Chaudiere, Dolbeau, East Angus, Jacques Cartier, Oskelaneo, Sault au Mouton, St. Alexis des Monts and Windsor, Que.  
Blind River, Mattawa, Nipigon and Sultan, Ont.  
Plattsburg, N.Y., U.S.A.



## *Companies...* PRODUCTS AND LOCATIONS

### DOMTAR PACKAGING LIMITED

#### BELL-KILGOUR DIVISION

##### **Products**

Grocery Bags  
Carry-out Bags  
Shopping Bags  
Specialty Bags of all kinds  
Wrapping Paper for both Industrial and Retail Use  
Counter Rolls and Sheets  
Gummed Tapes

##### **Plants**

East Angus, Que.  
Windsor Mills, Que.

#### CARTON SPECIALTIES DIVISION

##### **Products**

Folding Cartons  
Cylindrical Fibre Cans  
Liquid Food Containers

##### **Plants**

Montreal, Que.  
Leaside and Chatham, Ont.

#### HINDE AND DAUCH DIVISION

##### **Products**

Corrugated Shipping Containers  
Corrugated and Chipboard Partitions  
Corrugated Merchandising Displays  
Solid Fibre Shipping Containers

##### **Plants**

Moncton, N.B.  
Montreal, Que.  
Peterborough, St. Marys, Etobicoke and Toronto Ont.  
Winnipeg, Man.  
Saskatoon, Sask.  
Calgary, Alta.

### DOMTAR PULP & PAPER LIMITED

#### THE HOWARD SMITH DIVISION

##### **Products**

Fine Papers  
Coated Papers and Boards  
Packaging Papers  
Specialty Papers and Boards  
Bleached Soda, Sulphite and Sulphate Pulps  
Unbleached Sulphite Pulp  
Vanillin and Lignin

##### **Mills**

Cornwall, Don Valley (Toronto)  
St. Catharines and Georgetown, Ont.  
Beauharnois and Windsor, Que.

#### KRAFT & BOXBOARD DIVISION

##### **Products**

Kraft Papers  
Specialty Papers  
Paper Towelling  
Boxboards (Plain and Coated)  
Paper Cores  
Felt Paper Stocks  
Bleached and Unbleached Sulphate Pulps

##### **Mills**

Toronto and Thorold, Ont.  
Windsor, East Angus, and Portneuf, Que.





Through the magic of chemistry and the application of many skills, pulpwood as in the photo above is transformed into the attractive and useful finished paper shown at right.

DOMTAR mills produce practically every grade of paper that is used in Canada today—the newsprint on which your daily or weekly newspaper is printed, wrapping grades for the grocery store and the crisp bonds used for your company's letterheads.





## PHTHALIC ANHYDRIDE

Partial view of Canada's only plant producing phthalic anhydride is seen following the completion of an extensive expansion program. Dominion Tar's Toronto plant is now in a position to supply the total Canadian requirements of this most useful chemical to the paint, plastic and resins industries.

# DOMTAR

PRODUCTS OF  
CANADIAN ENTERPRISE

